



ಭಾರತಸರ್ಕಾರ, ಹಣಕಾಸು ವಿಭಾಗ, ಕಂದಾಯ ಇಲಾಖೆ

भारतसरकार, वित्तमंत्रालय, राजस्वविभाग

Government of India, Ministry of Finance, Department of Revenue,
ಆಯುಕ್ತರ ಕಛೇರಿ, ನಗರ ಸೀಮಾಸಂಕ

ಅಂಚೆ ಸಂ. 5400, ಕೆ.ಆರ್. ಬಿಲ್ಡಿಂಗ್, ಕ್ವೀನ್ಸ್ ರೋಡ್, ಬೆಂಗಳೂರು

सीमाशुल्कआयुक्तकाकार्यालय, बंगलुरु सिटी सीमाशुल्कआयुक्तालय, पी.बी.सं 5400, बंगलूर
Office of the Commissioner of Customs, City Customs Commissionerate,
P.B. No. 5400, C.R. Building, Queen's Road, Bengaluru – 560 001

PUBLIC NOTICE NO: 53 /2020
(DIN-20201072MR00005G8FEA)

Sub: - Customs- Monitoring of Export obligation under EPCG/ AA schemes & Obligations under other bonds - Board's Circular No 16/2017-Cus, dated 02.05.2017 - Reg.

Attention of the Importers, Exporters, Customs Brokers and all other Stakeholders is invited to the conditions of Customs Notifications regarding implementation of Export Promotion Capital Goods (EPCG) and Advance Authorization (AA) schemes. The relevant Customs Notifications governing implementation of EPCG/AA scheme provides that the Exporter should discharge the export obligation within the specified time limit or within such extended period as may be permitted. Further, under EPCG Scheme, the installation certificates are required to be submitted within six months of completion of imports. The Notification issued under the EPCG scheme also stipulates that in case of non-fulfilment of block-wise export obligation (EO), the Importer should pay the proportional duty of unfulfilled portion of EO along with applicable interest from the date of clearance of the goods to date such payments.

2. As per para 3 of the Board's Circular No 16/2017-Cus, dated 02.05.2017, in view of the time taken by DGFT in issuance of EODC, the practice of issuance of SCN at the 1st stage itself was replaced by issuance of simple notice to defaulters. Hence, it is opined that the field formations may issue a simple notice to the licensee/authorization holders for submission of proof of discharge of export obligation. It is further directed that in case where the licensee/authorization holder submits the proof of submission of application to DGFT, the matter shall be kept in abeyance till the same is decided by DGFT. Institutional mechanism set up in terms Instruction No F.No-609/119/2010-DBK, dated 18.01.2011, for regular interaction with RA's of DGFT should be used to get the required EODC.

3. However, in cases where the licensee/authorization holder fails to submit the proof of their application for EODC/redemption certificate, extension/clubbing, norms fixation etc., action for recovery may be initiated by enforcement of Bond/BG executed by the Importer at the time of Import. In all other cases where either EODC/ Redemption letter or evidence of having applied for EODC with DGFT office is not submitted, recovery action as per conditions stipulated in Bond may be initiated as illustrated vide Board's circular No.16/2017-Cus, dated 02.05.2017.

4. If the Exporter fails to pay the amount of duty foregone immediately on demand by customs due to such non fulfilment of obligation, the same shall be recovered in terms of section 142 of the Customs Act 1962, which also includes such amount that can be recovered by way of detention and disposal of goods which are under Customs control.

5. The importer is duty bound to compensate the duty foregone for any non-compliance of conditions stipulated in the bond and the duty benefit availed shall be recovered from them in terms of section 142 of Customs Act, 1962. Therefore, failure on the part of the Importer to complete the export obligation and obtain EODC from DGFT and to furnish details of the obligations completed to the Customs Department are in violation of the Bond executed. Accordingly, the amount debited in the bond has to be recovered along with interest by enforcing the bond executed by the Importer in terms of Section 142 of Customs Act, 1962 including enforcement of the Bank Guarantees furnished along with the bond. Therefore, the importer is advised to furnish details of the Export Obligation in respect of all the bonds wherein the Export Obligation period is not over to avoid coercive actions.

6. Action to be taken in terms of decisions conveyed in this Public Notice should be considered as Standing Order for the purpose of Departmental Officers.

7. The above is brought to the notice of all concerned. Difficulties, faced, if any, in implementation of these instructions may be brought to the notice of the Additional / Joint Commissioner of Customs, City Customs Commissionerate, Hqrs Office, Queen's Road, Bengaluru, on e-mail id commr-citycusblr@nic.in.

(BASWARAJ NALEGAVE)
COMMISSIONER

Copy submitted to:

The Chief Commissioner of Customs, Bengaluru Zone, C.R. Building ,Bengaluru

Copy to:

- 1) All the ADCS/JCs/DCs/ACs, City Customs Commissionerate, Bengaluru
- 2) Federation of Karnataka, Chamber of Commerce & Industry (FKCCI), No.9996, Kempegowda Road, Gandhinagar, Bengaluru
- 3) Bangalore Customs Brokers Association, No.71, Cargo Village, B-Block, Bengaluru International Airport, Devanahalli, Bengaluru
- 4) Federation of Indian Export Organization (FIEO),1st Floor, VITC Building, Kasturba Road, Bengaluru
- 5) All Custodians
- 6) Bengaluru Customs Website